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ABSTRACT

This report assesses the current situation regarding vocational training in Central and Eastern Europe and suggests projects and working methods that would be consistent with the mission of the Commission of the European Communities' European Training Foundation. Sections 1 through 4 focus on the following: the existing system's inability to train individuals to become instruments of political, economic, and social change and for training workers and to cope with unemployment and economic upheaval resulting from political reform; the necessity of international aid to reform vocational training in Central and Eastern Europe; key issues in global action to define strategies and build a new system in Central and Eastern Europe; and principles and themes that Western countries must observe when sharing their training expertise with Central and Eastern Europe. Chapter 5, which deals with the mission, working program, and methods of the European Training Foundation, proposes that the foundation act as an effective resource center/clearinghouse, use local expertise, and give priority support to integrated projects designed to help establish a vocational training system, support the creation of the instruments/resources needed for a rational training policy, and train vocational policymakers and practitioners. (MN)

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EDUCATION
TRAINING
YOUTH

Studies

No 4

Vocational education and training in Central and Eastern Europe

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Foreword

This report was commissioned by the Task Force "Human resources, Education, Training and Youth" of the Commission of the European Communities as part of its preparatory activities to the setting-up of the European Training Foundation[1]. It is based on the work of a team of eight experts from the Member States who spent a period of six months in Brussels researching the topic under the supervision of Mr André Ramoff. They were: Dr Bernhard Buck, Mr Massimo Di Giandomenico, Mr Michel François, Mr Haralabos Frangoulis, Mr Kaj Holbraad, Ms Lindsay Jackson, Mr Frank Kavanagh and Mrs Ingeborg Weilnböck-Buck.

When the European Council met in Strasbourg in 1989, it identified training as a priority for assistance to the countries of Central and Eastern Europe and invited the Commission to put forward proposals for a European Training Foundation designed to help those countries develop their vocational training policies and systems. Four years later, efficient and systematic human resource development, as can be seen from this report, remains as crucial as ever for the success of the economic and social reforms.

At their meeting in Brussels on 29th October 1993, the Heads of State and Government of the Member States of the European Community decided upon the town of Turin in Italy as the location for the Foundation. It is to be hoped that the findings in the report will be of use in helping those responsible for the Foundation in their deliberations on the priorities and work programme of that institution. More generally, the report also raises important issues for the continuing debate about how the European Community and, indeed, the international donors as a whole, can best help the countries of Central and Eastern Europe in this vital field.

In conclusion, I wish to express my sincere thanks to all those who were associated with the preparation of this report, most notably to Mr André Ramoff and to the experts involved in drafting it, but also to all those who gave up their time to advise, discuss and provide the vital information necessary for its realisation[2].

T. O'Dwyer
Director-General

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[1] Council Regulation 1360/90/EEC of 7 May 1990 establishing a European Training Foundation (*Official Journal of the European Communities*, L131 of 23 May 1990, p. 1)

[2] Working documents dealing singly with each of the countries looked at in the report are available on request from the Task Force.

VOCATIONAL EDUCATION AND TRAINING IN

CENTRAL AND EASTERN EUROPE

Summary

This report was requested in Autumn 1992 by the Commission's Task Force for Human Resources, Education, Training and Youth last autumn from a group of eight experts from different Member States.

Three years after the fall of the Berlin Wall it was essential to assess the consequences of this upheaval on training requirements and educational systems and the relevance of the policies pursued by the countries considered, whether alone or with the support of the international community. These analyses and any pointers they may produce are intended for the Commission and the members of the EC. They will help to guide the initial decisions of the European Training Foundation when it comes into existence.

The report deals with initial and continuing vocational training in the former popular democracies and the Baltic countries; the countries emerging from the demise of the Soviet Union are not covered.

It describes in turn the current situation of training in these countries and the help they have been receiving from outside. Thereafter it moves on to the problems raised in attempting to define a training strategy and putting in place an institutional and political system capable of following up and implementing it. Lastly, it offers guidelines for international cooperation and suggests on this basis what contributions the European Training Foundation could make.

I - The current situation in these countries is characterised by a yawning chasm separating actual training requirements and the real capacity to meet them.

A) They have to simultaneously cater for three types of need:

- *training the protagonists and instruments of political, economic and social change (viz. those responsible, but also the silent masses who will reject the new order of things if they fail to understand how it is intended to function and what is at stake);*

- *proposing a new occupational future to the victims of the unavoidable consequences (industrial change, very high unemployment) of economic upheaval which is all the harder as it originates beyond the frontiers (dismantling of the COMECON);*

- *adjusting training policy to the new requirements and the new economic configuration into which these countries henceforth are plunged (accelerating technological change, internationalisation of trade patterns).*

B) *The training system inherited from the past had its shortcomings but was lacking neither in ambition nor in quality. However, the way it was organised was in total contradiction with the demands of a market economy and its need for flexibility and a capacity to adapt to rapidly changing requirements. The countries of Central and Eastern Europe had an education system which was centralised, planned, compartmentalised, a system which was in short adapted to a far less mobile economy.*

This explains why governments were quick to understand the need to modernise the training system. Reforms, targeted mainly moreover at initial training and often overlooking continuing training, have been undertaken in most countries. There are few instances of an overall endeavour dealing simultaneously with the institutional, pedagogic and financial aspects, but substantial progress has been made on each specific aspect more or less everywhere.

Similarly, most governments have taken action to deal with the problem of unemployment by setting up an employment administration and embarking on an active vocational training policy.

C) *This shows that governments have clearly understood how important making the best possible use of human resources is to the success of the reforms they have undertaken. Generally speaking, the population would seem to be coming round to this point of view and is manifesting a substantial thirst for education and training.*

But there are major obstacles. National administrations have at the same time to come to terms with a new economic and social approach, that of the market and pluralism, and learn to work in a radically different way, particularly by bringing hitherto generally neglected partners into the decision-making process.

The second major obstacle is the shortage of resources in these countries and the situation in which they find themselves in having to arrive at a trade-off between equally pressing constraints, some of them indeed vital in the short term.

II - International aid is therefore absolutely essential. The rich nations understood this very quickly, for they expressed their solidarity concretely as early as 1989 at the initiative and instigation of the European Community.

These countries were also quick to understand that it was essential to coordinate their action by appropriate procedures.

Finally, the importance of making the best use of human resources is not lost on them. Aid programmes, bilateral or multilateral, virtually always contain aspects relating to training. The EC's PHARE programme is exemplary from this point of view. Its purpose is to sustain the process of economic and social reform and systematically involves transfers of know-how to enable recipient countries to solve their problems themselves as soon as possible.

Three remarks are however warranted to qualify these very favourable assessments.

First of all, most of the aid programmes come in for criticism whatever the field of action; they are seen as slow, cumbersome and bureaucratic. At the end of 1992, 30% only of the appropriations made available under PHARE for the 1990-92 financial years had been committed. Criticism is also made of the lack of flexibility and diversification of the measures.

The second criticism also goes beyond the context of training. Although Western countries have always been perfectly aware that their partners in the east had reached an appreciable level of development, it is not always easy to replace an assistance-oriented policy of the type generally implemented by a genuine cooperation policy defined according to egalitarian principles and paving the way for economic partnership or a future institutional association.

Lastly, the report notes that the consideration of training requirements in most of the sectoral programmes would be no substitute for the essential overall consideration of the educational systems themselves. Mention has been made of certain partial attempts at modernisation, usually with the help of the World Bank. But there has been no overall action.

III - The third chapter of the report deals with the key issues involved in a global action of this kind.

Addressing these issues is necessary for the definition of a training strategy to determine and establish in order of priority objectives and resources and to provide a new institutional and political system capable of providing an appropriate framework for this strategy.

A) Today in Central and Eastern Europe this strategy would seem to be a function of four major factors: the pace of economic transition and particularly the pace of privatisation; the choice of a development model; the employment situation; lastly the resolve to construct democracy.

Governments have manifestly not yet completely come to grips with these factors. But the choice of a development model cannot be dictated. But it is undoubtedly influenced inter alia *by the attitude taken to foreign investment or in the face of the scale of any restructuring involving daunting social consequences.*

Similarly, the marked deterioration in the employment situation severely limits the margin of manoeuvre of governments when it comes to training policy, but does not however rule out the possibility of choosing between different policies.

A whole series of questions thus emerges and the manner in which they are addressed will or will not lead to a consistent strategy.

One question the report raises is the degree of autonomy of training policy within overall government activity in relation to the aims set for it, as this naturally leads to questions concerning staff responsibilities, programmes and funding arrangements. It places particular emphasis on a number of particularly acute questions in the countries: training in and for SMEs; training of teachers and trainers; the link-up between initial training and continuing training; the linking of training and research.

Lastly, the report points out that the capacity for framing these questions appropriately presupposes not only that the resolve to do so exists but also that the instruments of information and analysis needed are available. The setting up of institutes for research and statistical services, the training of those responsible, the use of all the resources offered by new communications technology are all part of the requirements.

B) Drafting a training strategy or even analysing the main issues which go to make it up has little chance of being successful if the institutional system in which education policy is framed is not modified in depth. The current system is too rigid and monolithic for the essential process of brainstorming to achieve much.

Reforms are needed on three fronts. Firstly the role of the different players involved needs to be clarified, stipulating the responsibilities of the ministries and departments concerned, decentralising on an extensive scale and helping the two sides of industry to intervene actively in defining and pursuing training policy.

Special attention will subsequently be needed on the role of the enterprise both as regards teaching methods and as regards financial arrangements.

The reform of the financing systems is the third major theme. It involves pondering the priorities for the utilisation of public resources and the possibility of supplementing them by turning to the nascent private sector and to the recipients of the training itself.

IV - International cooperation must observe certain general principles and stick to certain themes by way of priority.

A) Six principles would seem to emerge.

1. *Cooperation programmes should be multiannual in order to allow the recipient countries to programme their own reforms. The endeavour should be sustainable over three years, possibly five. Budgetary procedures should be adapted to this objective.*

2. *International cooperation should be closely linked with development policy which presupposes improving the instruments of analysis and forecasting and the use of decentralised structures.*

3. *Short term policies and structural reforms should be sustained in parallel. To neglect the short term could endanger still fragile democracies. To put off structural reforms for too long could engender a protracted dependence on foreign aid.*

4. *Actions must be adapted to the diversity of situations and needs. In particular, there should be a less restrictive definition of expenditure eligible for Community funding, use should be made of experts who are not necessarily western, and inter-regional actions should be conducted whenever there are no major political obstacles.*

5. *There should be better coordination between the different institutions which, in the same recipient country, liaise with abroad or are in charge of training matters, and between the different Western contributors. Pooling certain expertise resources could help to attain these objectives.*

6. *Procedures should be streamlined in order to permit swifter allocation of aid.*

B) *As in the past, the Western countries should continue to transfer their knowledge through training actions set in programmes targeted at multiple objectives originating in the resolve to democratise society and modernise the economy.*

In parallel with this, measures more directly targeted at improving the educational system itself should be pursued. They could focus essentially on the following themes.

1. *Bring the experience of the Western countries to the debate on the setting up of a continuing training system. The countries of Central and Eastern Europe could for this purpose be associated as observers in certain working parties of the European Community. Networks of exchange between these countries and the Member States should be set up. The European Foundation could organise comparisons of experience and think tanks on all the crucial subjects mentioned in this report.*

2. *Help to modernise initial vocational training which is today faced with a decline. Three recommendations are made in this context: bring together the production system and the vocational training system; facilitate exchanges of trainers and experience between initial training and continuing training; promote the development of channels permitting transition from vocational education to higher education.*

3. *Circumscribe the protagonists of decentralised and pluralist training policy by supporting programmes to inform and train the political and administrative leaders, by training decision-makers on the two sides of industry, particularly as regards the development of the social dialogue, and lastly by training heads of enterprises in their new role as intermediaries of change.*

4. *Facilitate the creation of institutions and procedures offering more rational management of vocational training policy. Special attention could be paid to the setting-up of procedures for inter-ministerial coordination and consultation with the two sides of industry, the creation of research and forecasting institutes as regards qualifications and the definition of requirements, and the introduction of assessment systems.*

5. *Modernise training methods and resources, particularly by the dissemination of new educational technologies, by adapting to these countries established training references and by access to a range of goods and services.*

6. *Develop the training of trainers and teachers, an objective which should be extended to the planners and managers of public policies and to the organisers of training programmes for trainers in vocational education.*

7. *Encourage a greater degree of combined action between training and research through various actions targeted at industry and training bodies alike.*

8. *Encourage programmes specifically for the SMEs, particularly by supporting the establishing of channels of training targeted at heads of enterprises themselves and to the executive categories, involving the employers' networks whenever possible. In parallel with this, decision-makers of all kinds should be made aware of the link which exists between the economic, legislative and social environment and the sound running of these enterprises.*

V - The European Training Foundation, whose creation was decided by the European Council in 1989, could provide the Community with an essential instrument for implementing the foregoing recommendations.

The role of the Foundation is defined in a Council Regulation dated 7 May 1990 which describes in precise terms the Foundation's configuration and the role it can play in a complex institutional framework.

The last chapter of the report is intended to provide the Commission and the Foundation with pointers to pave the way for its introduction. They relate to the Foundation's mission, its working programme and its methods.

A) *The Foundation's mission stems from the two objectives described in the 1990 Regulation: cooperation between the Community and the countries of Central and Eastern Europe, and coordination of aid.*

The Foundation will first have to become an effective resource centre available to the Community and the countries benefiting from its aid.

Secondly, it will have to fulfil a role of clearing-house providing information to all those concerned on the requirements and the solutions capable of meeting these requirements. For this purpose, it could act as an expert or seek outside experts. It should be possible to fulfil this role vis-à-vis the Member States and not only the Community institutions.

Lastly, with the benefit of the experience of its members, the Foundation ought to be able to pinpoint major problems which had not immediately been identified as such and organise exchanges capable of pushing towards a solution.

B) *The programme of work will be determined by the Foundation itself and the Commission.*

This will be all the more effective if three conditions are met: consultation, through ad hoc *structures if necessary, of the Eastern countries themselves and of the two sides of industry and the other organisations which provide aid; simultaneous consideration of short-term and long-term requirements, which implies* inter alia *drafting a budget in a multi-annual prospective; lastly, availability of high quality staff comprising in the main experts in training and economists.*

The attention of the authors of this report have focused in particular on four groups among the working themes which can be envisaged.

1. *Help in setting up a training system equipped with a consistent institutional framework could be a first objective. In this connection, action could be envisaged on defining the right to training and the general conditions for its financing, the modernisation of administrations, inter-ministerial coordination and consultation, relations between the world of education and that of work, and decentralisation in education.*

2. *Support in creating the instruments and resources needed for a rational training policy will be a second objective, particularly by supporting teaching research, creation of employment and qualifications observatories, the setting-up of institutes for the training of trainers and the development of consultancy and vocational guidance services. The drafting of new training programmes, the creation of appropriate skills reference standards, the development of teaching materials and the modernisation of infrastructures should also be encouraged.*

3. *Thirdly, the Foundation could help in the training of the players involved in training policy, viz. the planners and deciders of public policies, the two sides of industry, those responsible for information, and practitioners whether they be teachers, vocational training advisers or organisers of in-company training.*

4. *Lastly, the Foundation should from the outset envisage action in certain particularly critical areas. Three of these are particularly worthy of mention: the training of the heads of SMEs, particularly in agriculture and services; modernisation of public administration; and the drafting of training programmes to fight against unemployment.*

C) *There are three recommendations on working methods: mobilise local expertise capacity; seek joint financing arrangements whenever possible; give priority support for integrated projects.*

On this latter point, the Foundation could take inspiration from TEMPUS and endeavour to promote within the same programme networking arrangements, training courses as such and the development of the supporting structures.

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The closing section of the report raises the problem of extending the scope of the Foundation to the countries of the former Soviet Union, as the implementation of the TACIS programme should be eligible for the same assistance as the PHARE programme.

VOCATIONAL EDUCATION AND TRAINING IN CENTRAL AND EASTERN EUROPE

Introduction

The Commission's Task Force for Human Resources, Education, Training and Youth last autumn undertook to take a close look at the developments in vocational training policies and systems in Central and Eastern Europe.

It accordingly set up, in conjunction with the EC Member States, a group of experts from several of these countries with the task of analysing the needs of the countries of Central and Eastern Europe in this context and of proposing ways of catering for these needs.

This Commission initiative merely confirms its constant resolve to provide by whatever means possible Community aid to countries whose destiny is being decided at the moment and which all the pointers show as the EC's natural partners in the future. Committed action was in fact commenced in 1989 to assist these countries in their progress towards democracy. The Europe of the Twelve has been the instigator of the mobilisation of the wealthiest nations and it is one of the leaders as suppliers of credit and technical assistance.

If it appeared indispensable a few months ago to embark upon this new approach it is because history moves swiftly.

All the countries of Central and Eastern Europe have to varying extents moved towards the democratisation and liberalisation of their economies. Major reforms have been implemented, while others are still awaited. The educational system must provide the essential skills for the management of these reforms. It must make their comprehension and acceptance by the population easier by influencing mentalities and the values recognised by society. It needs fairly comprehensive reforms in order to achieve this and in order to be able to better cater for new requirements.

It must also be able to cater for other needs which stem from the switchover from one economic and social system to another, and cope with the inevitable upheaval this entails. The consequences of this upheaval are amplified by the fact that every country has also to face the same radical changes as the other countries with which until then it formed a common economic and social area. The breaking up of the Soviet Union and the popular democracies as an economic unit compound the effects of privatisation and the quest for increased productivity. It is thus necessary at the same time to invent new qualifications and to tackle high unemployment which is sometimes exacerbated by the need for in-depth restructuring of whole sectors of industry.

It thus became clear that training requirements would be more diverse and more substantial than was believed in 1989, that the establishment of new balances would take longer than anticipated, and consequently that close consideration should be given to a policy of cooperation in this sector.

Indeed the very changes implemented or undertaken in Central and Eastern Europe mean that many problems are henceforth naturally raised in new terms by these countries and their partners within the Community.

The debate between assistance and cooperation is central to current issues. It differs considerably according to the degree of progress achieved in the different countries. They are all nevertheless firmly attached to the establishment of closer links with the Europe of the Twelve. As for the Community, its solidarity with this other Europe has been consolidated and the relationship between stabilisation in Central and Eastern Europe and its own potential for progress has emerged clearly.

The debate does not revolve exclusively around economic considerations. Action undertaken in the past three years has illustrated, if any proof were needed, that the aspirations of the societies of the Eastern European countries are not restricted to that context. They also and above all aspire resolutely to freedom. They are all keenly aware today of the possibility of letting people fully express their qualities and potential. Training policies must take due account of this and adjust.

The task entrusted to the group of experts set up in autumn 1992 thus stemmed from the awareness that the situation had sufficiently changed in Central and Eastern Europe for the analyses of training requirements carried out three years previously, and the resulting strategies drawn up, warranted fresh inspection. It also reflected the conviction that the Europe of the Twelve had a specific responsibility in this context and that, without standing as a model, it nevertheless had features which could be commended to the countries of Central and Eastern Europe.

The group of experts got down to work in October 1992, its brief being to analyse methodically the past and present situation of the vocational training systems in these countries, to establish an inventory of reforms undertaken or in the pipeline, to assess the first achievements of strategies of change and the contribution made to their success by international cooperation programmes, and, lastly, to produce pointers for implementing cooperation policy in the future.

The group's conclusions, intended primarily for the Commission, should *inter alia* help to provide guidance and pointers for the first endeavours of the European Training Foundation when set up. The authors hope they can also guide the EC Member States and help the countries of Central and Eastern Europe in the context of association agreements.

The scope covered by the report is that of vocational training in the broadest sense. This means initial and continuing vocational training of young people and adults, taking due account of specific problems raised by young people leaving school unqualified and workers without jobs.

As for the geographical scope, it takes in eleven countries: Albania, Bulgaria, Estonia, Hungary, Latvia, Lithuania, Poland, Rumania, Slovakia, Slovenia, and the Czech Republic.

This report devotes ample space to information available and reflects the observations collected from missions carried out to these countries and consultations with various experts.

The first chapters describes the general situation of vocational training in force in the countries of the former Eastern Bloc and of the reforms undertaken or anticipated, and the second chapter describes the assistance they receive from the main international organisations and from the developed countries.

By examining in turn the problems raised by the definition of a training strategy and the creation of an institutional and political system capable of devising and implementing it, the third chapter tackles certain key issues such as the links between economic development, employment and vocational training, the development of teaching methods, the development of the organisation of training and that of the social status of vocational training in these countries.

The fourth chapter sets out tentative broad guidelines for international cooperation on vocational training.

The fifth and last chapter, on the basis of the observations made in the previous chapters, describes what the role and contribution of the European Training Foundation could be.

CHAPTER 1: THE CURRENT SITUATION

When the countries of Central and Eastern Europe began to reject communism, they at that time generally possessed a well-developed vocational training system, reflecting the resolve of the previous regimes to give priority to education policy in line with their scale of values.

However, this system itself blended in with a certain type of political, economic and social organisation. Under the Soviet model, the quantitative and qualitative analysis of requirements was centralised to the utmost, as was the over-specialised definition of qualifications and the determining of curricula and training flows. Moreover, planning implied medium-term options which were difficult to reverse. Lastly, government and administrative compartmentalisation was very marked in this field as in all others and made it particularly difficult to organise cross-links and identify problems of common interest.

The question of adapting this system to other ambitions for society and other values has come to the fore rapidly.

We shall examine in turn the training requirements originating in the radical change which has taken place since 1989 (A), the response potential of the national training systems (B) and the changes they have undergone since nearly four years, and the obstacles encountered today in the move towards their comprehensive adaptation (C).

A. Training requirements

The training requirements for which the countries of Central and Eastern Europe have to cater at the same time are both huge and extremely diverse.

1) Two new and crucial sets of needs have emerged rapidly and have been gradually been taken into account: managing change and putting right the most adverse consequences of the past.

   a) The first in fact emerged as soon as the transitional phase from a state-run economy to a market economy, and from a monolithic political system to a pluralist democracy began.

      These countries first had to assemble and then train the skills needed to make a success of this transitional phase.

      They concentrated on training political and administrative managers able to oversee the transformation of the country: senior officials, politicians, local representatives had to become versed in the basics of market economy in order to implement such new policies as price liberalisation, privatisation of firms, phasing-in convertibility of the national currency, etc.

      A parallel endeavour has been pursued on the neighbouring field of democratisation. This has entailed training those occupying positions of responsibility in the

preparation of a new configuration of social relations and its safeguarding by those who should be its guarantors, particularly magistrates and the police.

These countries have also had to train the players responsible for implementing changes in daily life and at levels of responsibility which are extremely varied. Training in management has everywhere been recognised quickly as an absolute priority. Similarly, the importance of SMEs in the creation of jobs and revitalising the economy was rapidly perceived and training programmes for creators and then heads of enterprises were undertaken in most countries.

Lastly, it has been necessary to get everyone to understand the new rules of the game in order to get them the necessary respect without which they cannot be implemented. The need in this context is enormous and has no doubt been analyzed and surveyed in less precise terms. It concerns attitudes to one's job, more generally the acceptance of a new scale of values, and lastly the understanding of what is at stake, the obstacles and sometimes the price to be paid for moving from one political and mental universe to another.

b) At the same time, i.e. from the very beginning of this transitional process, Central and Eastern Europe has understood the need to provide rapid answers to several problems which had been neglected by previous regimes and which were an illustration, sometimes a caricature, of the deterioration in the living conditions of the societies and the gap which separates them from the Western world.

Major programmes involving a sizeable training chapter have thus been defined in order to overcome the shortcomings of such a legacy. Examples are nuclear safety, fighting pollution and protecting the environment, and modernising the distribution circuits the shortcomings of which weighed heavily on the populations. In these fields as well as in certain others it became apparent that a fatalist attitude could not be accepted and that resolute action capable of radically modifying conditions of life could be envisaged.

In parallel with this, at least in certain countries, major programmes have been undertaken to remedy in a more radical way the imperfections of the previous systems. In conjunction with the PHARE programme, the MOVE and TESSA programmes have been started in Poland with the aim respectively of restructuring the education system and the training of unemployed persons within the framework of a public employment service to be set up.

2) The other training requirements are intrinsically linked with the changes under way which have themselves revealed or created other expectations in this context and which are only beginning to be taken into account.

a) The first are "the mechanical" consequences of the *changes in the economic structures*. The upheaval brought about or expected is radical within the frontiers. However, it must be understood that it is the whole network of relations in which each country found itself which has been completely called into question.

The destruction of the COMECON, followed by the demise of the Soviet Union itself, are having drastic consequences on the supply and outlet base for economies in which over half the trade took place within this unit. The effects of such upheaval on the behaviour of the people, and particularly on migratory flows, are difficult to predict but the pointers are that these will also be significant.

All these countries are, to differing degrees, having to face problems of industrial restructuring and even reconfiguration of their territory, problems which are probably much more acute than those which Western Europe encountered in the wake of the crises in the coal, steel, textiles and ship-building sectors.

Regions and sometimes whole countries made over the greater part of their activity to trade flows which were steadily dwindling. The armaments industry in Slovakia is a particularly significant case in point. But the Czech Republic, vast areas of Poland, and even Hungary are experiencing similar problems.

As to the Balkan States, the breakdown in their cheap energy supplies is forcing them to seek alternative solutions and to redeploy significant parts of their activities.

In parallel with this, the resolve to draw nearer to Western Europe and then unite with it prompts all the players to redirect their production along lines compatible with new partnerships.

This means enormous investment requirements and, in parallel, the absolute need to train much of the labour force in new activities. In addition, qualifications these countries knew nothing of - e.g. planners or local development agents - have to be introduced in order to pave the way for solutions for the future and make an appropriate start.

However, the social consequences of political and economic change do not stop there. Without going into a detailed analysis, it is easy to see the relationship which exists between liberalisation of the economy, privatisation, restructuring of industrial groups and the quest for increased productivity on the one hand, and the emergence of a level of unemployment which is high and socially new on the other.

Although the situation varies from one country to another and statistics are not altogether reliable, the unemployment rate stands at 15-25% of the active population more or less everywhere, despite the maintenance of overmanning in a great many firms. Generally speaking, young people (25-40% in this age group are job seekers) are much harder hit than the average and these societies are discovering on a large scale the problem of difficult occupational - and soon social - integration upon leaving school. In these countries and particularly in those which were the first one to undertake a resolute programme of reform an alarming level of long term unemployment is appearing among young people and adults alike, affecting 30 to 40% of the job-seeking population.

A genuine employment administration, something which did not exist hitherto, is therefore sorely needed, as is also - and this is new - vocational guidance and training for the unemployed.

b) However, the survey of training requirements in Central and Eastern Europe would feature a serious omission if we were to forget to mention that these countries embarked upon their new course at a time when *the free economy is itself beset by major doubts and uncertainties.*

They have thus plunged headlong from a very inflexible, even fossilised, universe into a changing world in which the keys to change are not as immediately easy to perceive as they might have been a few years ago. The need to secure the capacity to observe and analyse economic and social events and the wherewithal to ponder the future in terms of qualifications is thus all the more acute..

Where the uncertainty is less radical, our current knowledge of the most predictable trends prompts a renewal of training methods and contents which will be literally revolutionary in the East of our continent, for it is already fundamentally innovatory in the West. Stress should be laid here on the overwhelming need for quality-related training and for the know-how and acumen essential for mastering the new technologies with which these countries are having to come to grips with, not forgetting the setting up of a new configuration of work organisation.

The very substantial - and to a certain extent mainly quantitative - requirements described above and to which only a partial response has so far been brought, thus go hand in hand with the additional requirement to achieve a quantum leap in quality. This requirement naturally emerges more or less strongly according to the economic policy options chosen and according to the pace of change, but it remains nonetheless very real.

B. The vocational training system inherited from the past

Like many institutions dating from the communist period, the vocational training system in 1989 was one of fairly sharp contrast between the objectives attributed to it and the actual situation.

1) The central objective was to give specific consideration to education policy and within that framework give genuine priority to vocational education and training.

In actual fact the level of education in the Central and Eastern Europe was high, reflecting the determination to achieve democracy by access to culture and learning which were inseparable from their political philosophy. This linked with a historical tradition in part of this area but was a new departure in other countries which were not so open to culture at the turn of the century. By the end of the past decade everyone attended school everywhere and on average 80% of the age group concerned received secondary education.

In this context, technical teaching received particular focus, reflecting the resolve of the regimes concerned to build an alternative to the *bourgeois* society and accelerate the industrialisation of countries of which several were in the main agricultural. An average of 80% of secondary school pupils thus turned to technical or vocational tuition.

This type of education, at least within the official scale of values, was more highly considered than in most Western countries and was enabled by the economic and social organisation to work in close conjunction with industry. Firms helped to finance the system and played a major role in providing tuition. A single government body was in control of the production system and the training system for a given sector of activity.

2) Nevertheless, the ambition thus expressed and the positive points which have just been mentioned, should not deceive. The actual reality of the situation is generally less flattering. The systems contained, to varying extents, features and weaknesses which mirrored those of the political and social organisation itself.

The gradual crisis in these regimes has only exacerbated the situation. The technological gap observed in many branches has had repercussions on the education system and its achievements.

Lack of resources has had a similar effect. Subject to the strains from elsewhere, the countries of Central and Eastern Europe devoted to education in the broad sense only a fraction of their GDP and substantially less than OECD countries. The difference was generally one to two GDP points prior to 1989.

Although no figures are available, technical education does not seem to have fully reflected the priority given to it by the political stance.

The training system had moved toward several types of elitism. Access to university was strictly limited and benefitted only 8-15% of the age group considered, i.e. generally far fewer than in western Europe.

Similarly, a dual system of training arose based on the use of the academies alongside the ordinary educational establishments and on a marked differentiation in the training levels according to the branches and their own performance levels. This dual system was accompanied by a parallel inequality in the field of relations between teaching and research. These relations were close in the high technology sectors which had genuine educational capacity, but much less so in the case of the more ordinary activities, where the teaching system received as little impact from innovation as industry.

It would thus appear, somewhat paradoxically, that vocational training gradually came to be considered as the sort of poor relation within the educational system whereas it should have been one of its jewels.

This is well reflected in the training and status of teachers. These teachers had an insufficient level of general culture, were overspecialised, badly paid and had a low level of social recognition, so they could hardly be players in the really efficient system.

3) However, when assessing how effective the training system is, the point is not so much the gap between initial aspirations and perceived reality as the radical contradiction between its organisational principles and the requirements of a market economy.

The latter needs flexibility and a capacity for swift adaptation to extremely changing needs. A centralised, planned, compartmentalised system is hardly conducive to such needs. The vocational and technical schools, and indeed the whole educational system, are proving incapable of rising to the challenges posed by the market economy viz. providing high skill levels, keeping abreast of adaptations and changes in vocational activity, securing vocational and personal motivation in the interests of communication, creativity, innovation and the ongoing development of individual and collective values.

The plain fact is that the system inherited from the past was well-suited to an economy which was much less volatile and consequently requiring far less capacity to adapt on the part of the players involved. In that context it could pursue specialisation characterised by a predominance of theory to the detriment of practice and so locking young people in particular within excessively predetermined vocational limits, without this having excessively serious consequences.

The extreme shortcoming of this continuing training arrangement probable stems from the same causes. It could offer individual routes of promotion to the best but was not designed to cater for a widespread need for mobility and adaptation to technologies or rapidly changing economic structures.

C. Reforms undertaken

Reforms have been undertaken in most of the countries concerned in an endeavour to better adapt the vocational training system to the new requirements of the economy. These have been more or less bold according to the case considered. They have taken account to varying extents of the other major objective of training policies i.e. the quest for personal fulfilment.

Not all countries have pushed reforms to the same extent, but several common denominators are found all round. Similarly an analysis of the conditions conducive to the success of the reforms and the obstacles to be overcome can be carried out for the whole area.

1) The reforms undertaken have generally had two main objectives.

a) Most of the countries concerned have clearly understood the need to *modernise* their training system. However, their interest focused more on initial training than on continuing training, even though the latter was not widespread. Instances of overall action taking in simultaneously the institutional, pedagogical and financial aspects are rare.

Hungary, the Czech Republic, Slovakia, Slovenia and Poland are undoubtedly the countries which have gone furthest in the quest for all-round modernisation of the institutional system. These countries have been mainly at pains to improve the distribution of competencies among the main players, by a redefinition of the roles within the governmental structures, by a fairly low-key decentralisation, or by

involving to a greater or lesser extent the two sides of industry in the management of the educational system.

In the Czech and Slovak Republics respectively a "Council for vocational education" under the Ministry for the Economy and a "Committee for vocational education" under the Ministry of Education have accordingly been set up. Similarly, a "Committee for national education" has been set up in Hungary as a tripartite body under the broader-based Arbitration and Conciliation Council.

Generally speaking, the ministries in charge of a given sector of activity have seen their roles cut back while the Ministry of Education has emerged as the leading entity, and the responsibility of the Ministries of Employment has been recognised. The problem for the Ministries for Industry, many of which now have no say in educational matters, is to find a way of sharing with those henceforth responsible for education the information on training requirements which they obtain by virtue of their own role in industrial policy and in reshaping the economy.

The main thrust of the action has, however, been on the pedagogical side. The Baltic States and Slovenia have begun a reform of their initial technical education system based on Western experiences with sandwich training. Sporadically, e.g. in Poland, Hungary, Slovenia and the Czech Republic, a sometimes committed endeavour has been made to modernize the syllabus and improve the training of teachers.

Although substantial progress has been made, certain countries still maintain the previous regulatory framework e.g. Bulgaria, the Baltic States and Albania. The exception is Slovenia which constitutes an intermediate example in that although it maintains its legal reference framework it has made several small changes.

b) The development of *ways to combat unemployment* has often been a second major objective for governments. The main point has been and remains to establish the number of job seekers and provide them with benefits, but certain programmes - which are moreover backed by international organisations - to create a genuine public employment service have featured interesting innovations as regards vocational training, particularly in relation to its financing by the share of the Structural Funds allocated to employment policy. Mention should be made here of Poland, Rumania, Bulgaria, the Czech Republic, Slovakia, although all countries have undertaken major initiatives in these fields.

2) In most countries, one positive point concerning the conditions conducive to the success of the reforms has to be noted. Despite a low level of trade union interest and the diminishing relevance of conventional vocational training, there is no lack of individual aspiration to wider knowledge better adapted to modern times. Indeed an unprecedented thirst, undoubtedly based on other motivations, is frequently observed.

This trend in individual behaviour reflects how clearly governments understand the importance of making the best use of human resources for the success of the reforms undertaken.

3) But there are several major obstacles, two of which need some explanation.

The first is the *lack of experience of the national administrations* which have at the same time to come to terms with a new economic and social logic i.e. that of the market and pluralism, and with learning to work in a radically different manner taking due account in particular of the need in a complex society to get different administrations to work together and to closely involve in the decision-making process partners who were hitherto generally left out.

The second obstacle stems from the *lack of funding capacity* in the countries concerned. Despite some improvement in the major macroeconomic indicators, public sector deficit virtually rules out availability of resources consonant with requirements. Even in countries such as Poland and Hungary, where the share of the private sector in GDP is increasing, it is not yet possible to find sources to top up financing provided by the state. All in all, the whole region is in desperate need of finance.

Hitherto vocational training was based on firms, and particularly on the big state-controlled firms. Privatisation and the transformation of many industrial groups in a mosaic of smaller firms have broken the link between production and training. At the same time, the quest for productivity and quite simply for accounting accuracy have reduced the resources available for training or have taken away the priority nature this function had in the past within the enterprise.

Governments are hardly in a position to take over completely. There is, it must be stressed, a genuine resolve more or less everywhere to devote as much as to human resources whose importance is understood well by all concerned. But there are two stumbling blocks.

The first is the fall in production in the 1989-92 period and the accompanying losses of resources. The second is the terrible constraint represented by other uses proposed for public funds, particularly the need to allocate huge sums to support new activities and to assist job seekers. The margin available for educational reforms which need time to filter through and offer no guarantee of effectiveness is thus inevitably limited in an almost mechanical way.

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Nearly four years after Central and Eastern Europe entered a new era, the situation as regards education and vocational training seems to feature three main characteristics.

Firstly, there is, in all the countries concerned, a mismatch between major training requirements in terms of quality and the newness of which would require considerable investment in pedagogical research, and a very insufficient national capacity for response.

Secondly, the fact that all the countries have understood the need for in-depth reforms of their training systems comes up against their obligation to first cope with more pressing and

sometimes dramatic problems. The risk of sacrificing the long term for the short term cannot always be avoided in this context.

Lastly, the outlook for economic development in Central and Eastern Europe remains extremely uncertain, making it all the more necessary for them to secure the most effective mechanisms possible for anticipating requirements and getting a training system capable of coping with a situation which is far more volatile now than before. In order to achieve this they should base their approach on the innovatory practises which have borne fruit in certain western countries since the successive oil shocks and the acceleration of the globalisation of the world economy.

CHAPTER 2: INTERNATIONAL AID

The Community of rich countries has since 1989 given solid expression to its solidarity wi Central and Eastern Europe.

International aid obviously contributes to improving the performance of the countries of Central and Eastern Europe in a great many fields but vocational training is not one of its top priorities.

A. International solidarity

International solidarity was indeed quick to get organised. It stems from the G7 initiative decided at the Arche Summit meeting of 1989 and warrants a number of comments.

Firstly, the scale of what it involved. While admittedly being a long way from the Marshall plan which is sometimes referred to, the transfer of resources from west to east nevertheless represents a significant part of the wealth of the contributing countries and for the period from the first quarter of 1990 to the second quarter of 1992 amounted to 0,28% of the GDP of the countries of the G-24 group, which have undertaken to maintain, in constant terms, the value of the total annual aid granted to the countries of Central and Eastern Europe.

Macroeconomic aid and emergency assistance take up the greater part, but substantial sums are also set aside for the modernisation of infrastructures, support for productive investment and technology transfer. This overall aid involves approximately 2 500 actions and came to over 47 000 million ECUs, i.e. nearly US$ 60 million, for the 2 1/2 year period mentioned above.

There is an astonishing diversity of forms and sources of financing, but the exceptional place held by the European Community and its Member States must be noted. These twelve countries account for nearly 50% of aid, financial institutions for 28%, other Member States of the G-24 group contributing 22%.

Almost 30% of international aid comes in the form of grants or subsidies, with nearly 50% coming from the Member States of the EC and the Community itself; PHARE represents one third of this contribution.

The resolve to allocate the sums transferred to a variety of uses caters well for the range of needs and is equally exemplary.

Moreover, many sectoral programmes undertaken involve actions, numbering approximately 400, aimed at permitting the transfer of the know-how needed for the success of reforms and making the best use of the human resources available in the recipient countries. 105 of these actions make a specific contribution to the restructuring of the education system.

A substantial part of the resources raised - nearly 500 million ECUs (including for the TEMPUS programme, which we will come back to later) is thus allocated to education and

vocational training. The latter, however, is only exceptionally the focus of a specific action programme.

Lastly, it should be noted that the G7 group from the outset expressed its determination to coordinate action taken under international aid. It accordingly entrusted the Commission with the task of coordinating this aid and called upon the contributing countries to assist in this task. The creation of the G-24 group is in line with this aim.

It was accompanied by incentives targeted at recipients and followed to varying extents by the setting up of coordination structures in each country.

B. The Europe of the 12

Europe has an important role in international aid as explained above. The most significant initiatives came from the Community institutions or specific Member States.

Noteworthy here are the major role played by the Commission in the running of the G-24 group and the predominant contribution of the Europe of the Twelve in the financing of aid.

This role played by the EC and its member countries is in a way perfectly natural. The problems involved primarily affect the European continent. The foremost desire of what used to be the Eastern bloc countries is to become part as quickly as possible of the unit set up on their western borders. Lastly, it is clear that aid to Central and Eastern European countries will first and foremost benefit those countries but will also have a positive impact on Western Europe, too.

These considerations no doubt explain why the EC's effort has focused on the transfer of technology i.e. on the types of aid most suitable for enabling the recipients to swiftly align their pattern and conditions of life on those pursued in Community Europe.

The PHARE programme, the aim of which is to support the process of economic and social reform, clearly reflects this desire to help, by appropriate transfers of know-how, the Central and Eastern European countries to solve their problems themselves as quickly as possible.

The budgetary resources allocated to it are substantial: 500 million ECUs in 1990, 785 million in 1991 and 1 000 million in 1993. Its scope is vast and covers sectors such as agriculture, industry, environmental protection, trade and services, transport, energy, health, finance, banks, insurance, the labour market and education.

Reform of the vocational training system, however, has so far been pursued only within the framework of certain specific projects involving mainly Hungary, Poland and the Czech and Slovak Republics.

Training is in fact only one of several headings even if the restructuring of the professional sectors (particularly banks and financial institutions, the energy sector, agriculture, environmental protection, and the distributive sector) often goes hand in hand with that of the training arrangements linked to them.

A few examples from the finance sector serve to illustrate the degree of involvement of the PHARE programme in training.

In Poland, for instance, PHARE is restricted to bringing a few additional training elements into the programme started thanks to international aid and targeted at the restructuring of the banking sector. The same is true in the Czech and Slovak Republics which in addition to aid provided for the modernisation of the banking sector receives substantial aid from the EEC for the insurance sector, and also in Rumania for the reform of the fiscal and the private accounting systems.

Significantly, all the training actions for the banking sector have been tried out over a one-year period in general and the current phase relates to the training of trainers.

In actual fact, the method selected for identifying projects eligible for aid has been very pragmatic and this pragmatism has prompted proposals which mirror perfectly the complexity of the needs in that they generally associate investment support, technology transfer based on the use of external experts and the training of national skills capable of then taking over.

C. Aid in the field of training

International solidarity has thus mobilised powerful resources in order to help the countries of Central and Eastern Europe satisfy their most pressing training requirements.

A vast number of programmes have been implemented on a bilateral basis by international organisations or developed countries in order to sustain the development of skills and qualifications in a wide range of areas, with substantial emphasis on the promotion of modern company management methods.

However, with a few exceptions some of which are notable, *international aid has not focused on reforming the vocational training system itself* from a multi-sectoral standpoint permeating all private and public areas of society.

But the exceptions are noteworthy, the most significant being the TEMPUS programme to which 200 million ECUs had been allocated by the end of 1992. This programme sets out to achieve trans-European mobility in higher education.

This original programme contributes in eligible countries to the improvement of higher training in designated priority subject areas. It accordingly encourages the drafting of joint projects between universities and industrialists in Central and Eastern Europe and in the European Community or other countries of the G-24 group. The results of this programme are deemed to be very encouraging by the organisations concerned. 300 projects were under way between 1990 and 1992. They reflect the depth of interest in the university sector as regards the restructuring of these countries. Engineering and applied sciences represent 30% of these projects, enterprise management representing 17% of the subject areas considered as priority. The training of teachers, which is not a priority area, nevertheless involves over 21% of the actions selected under TEMPUS.

Mention must also be made of the structuring measures undertaken on one specific aspect. Major programmes to train job seekers (training of young people or retraining) are thus being pursued as part of the creation or modernisation of the employment service itself. Similarly, large-scale action directly targeted at higher education or, more rarely, technical education, are also being pursued. Lastly, some programmes have sought to improve the relationship between teaching and research.

-The assistance provided by the Community under the PHARE programme in overhauling higher education and vocational training - including provision for the most disadvantaged young people - in Poland, the Czech and Slovak Republics, and in Hungary, must be highlighted.

In addition to all this, thought is being given to overall reform of the educational system in certain countries, with the help of the World Bank and, where necessary, of the EC. Examples are the World Bank projects being implemented in Hungary, Bulgaria, Poland and Rumania.

Nevertheless, however notable these exceptions may be, they do not invalidate the general observation which must be drawn i.e. that international aid had not made the reform of the vocational training system, whether initial or continuing, one of its priority objectives.

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Three conclusions can provisionally be drawn at the close of this brief examination.

The essential character and the unquestionable overall efficiency of international aid must first be recognised. The countries of Central and Eastern Europe are unable to cater for their training requirements on their own. Outside help has, in the highly strategic sectors, made up some or all of the shortfall.

Nearly four years after the aid programmes were launched, there is no lack of criticism. Some of it is not new e.g. an allegedly insufficient level of coordination and sluggish execution of budgetary decisions. Real progress has been made on these two themes by the providers as regards coordination; however, only 30% of the appropriations under the PHARE programme for the 1990-1992 financial years had been committed by the end of 1992 and an effort is needed to put this situation right. On the recipients' side much remains to be done, particularly in certain countries and we shall come back to this later on in this report.

More recently there has been criticism of the procedural aspects of this aid. The leaders of many countries are tired of what they see as over-use of foreign experts whom they consider moreover as being excessively costly. They would prefer national experts to be trained and for the greater portion of the aid to be given over to assistance in kind. This point will be examined later. For the moment let us merely say that the programme managers are not oblivious to these facts and are endeavouring to diversify their intervention procedures and gradually replace an assistance policy which is not always suited to the current situation with a genuine cooperation policy.

A third conclusion can be proposed viz. that international aid has helped to avoid the focus on immediate requirements shutting out the longer term concerns altogether. The exemplary character of TEMPUS needs to be stressed in this connection. Once again, though, there are two stumbling blocks. The first is connected with the aid policy itself. Despite the programme organisers' concern for flexibility, the fact is that none of these programmes has vocational training as a primary aim even if the range of educational approaches to be found within these programmes does offer a few features which should in the long run produce in these countries the competence needed to design their own policies in this context. The second is to be found in the countries of Central and Eastern Europe. If an overall reform of the vocational training system is to be undertaken there must be a clear resolve to do so; and no lasting policy is possible unless the elements of analysis needed are to hand.

CHAPTER 3: THE KEY ISSUES

In all countries, except perhaps those which are so far behind as to preclude giving thought to any problems other than those of the immediate present, two important questions must be answered before solid progress can be made in the context of vocational training.

In a nutshell: what are the expectations in relation to vocational training? and how can it be organised so that it meets these expectations?

In other words, the point is to define the training strategy for the medium and long terms (A). It is also necessary to lay the foundations of a new training system with an institutional organisation capable of serving this strategy (B).

A. Defining a training strategy

The primary aim of defining a training strategy must be to circumscribe the major objectives of initial and continuing vocational training policy along with the means necessary to attain them.

This is no easy matter: suffice it to remember, if any proof of this were needed, how difficult the most developed countries found it. In the Europe of the Twelve, the Commission's contribution is invaluable in assisting Member States to carry out the necessary adjustments, as reflected in particular in the debates around the adoption of the memorandum on vocational training in the 1990s.

The need for a strategy for Central and Eastern Europe is just as clear, even if the problems involved in drafting it are greater. These countries are caught between the ebb and flow of development, in a sort of situation of dependence in relation to the Western countries. They have to contend to an even greater extent than our own countries with the scarcity of resources and the explosive nature of what is at stake. Their margin of error is particularly narrow.

Later we shall be examining the main elements which affect the determination of this type of strategy (1), the major issues it has to tackle (2), the instruments of analysis and the skills needed for drawing it up in acceptable conditions (3).

1. The most obvious element which can determine a training strategy is the *swiftness of the economic transition* and particularly the pace of privatisation.

   The point is not only to change the legal status of a certain number of firms but to bring about a sometimes total change in their organisation and frequently to steer them towards activities which are radically new. This policy at the same time entails support for the creation of firms on a massive scale.

   This moreover implies a deep-routed change in mentalities. While it is up to each government to gauge the possible reactions of the people and to adapt its programme of

reforms accordingly, it remains nevertheless absolutely essential to bring about this change in mentalities. Many foreign investors come up against the problem of the labour force not yet having truly assimilated the logic of the market and that training received previously was often structured by a different set of values. It might be worthwhile organising comprehensive introductory programmes around the market economy, with one aim being to get across the message that a sense of responsibility is today essential to corporate efficiency.

To close on this point, we quote what was said by an official personality from Eastern Europe interviewed during a survey: "Many of us have no confidence in our personal capacity to organise our own lives. Self-confidence has been replaced by a sort of mystical attitude as regards the future, expecting some outside force to come and change our lives without us having to do make any effort. This loss of confidence in personal capacity, this loss of sense of responsibility - extending to the organisation of our personal and family lives - is the worst legacy of the last 50 years".

The choice of *development model* is a second element which weighs heavily on training strategy. Admittedly, no country has complete freedom of movement in this context, but the choice is usually between two scenarios.

A first approach can be envisaged by basing the argument mainly on the very low salary levels and, in some cases, the relative abundance of certain raw materials. The next step will be to promote activities which have low added value and using a not particularly skilled labour force which is already available.

This option may be tempting insofar as it does at least in the short term offer a better guarantee against unemployment. On the other hand, the prospects it holds for the future are probably bleak and hardly compatible with the desire to join the Europe of the Twelve.

The other option is certainly difficult to implement in that it involves, at least initially, specialising these economies in certain areas which are particularly competitive and have a high added value. It exposes these countries to the risk of lagging behind the level achieved by the Europe of the Twelve for a long time, but does not prevent them from reaching this level in due course, particularly if the Community helps them.

This latter possibility seems to find favour in the most advanced countries in the area. It implies access for the whole of the population to a high level of general training and technical knowledge, the recognition of the need to make the best possible use of human resources and of training as major social objectives and the creation of substantial capacity for training in high level qualifications in the crucial sectors.

Each option has its own advocates. The natural penchant, in line with the past, would opt rather for the less ambitious solution. But there are also arguments in favour of the second choice. Without claiming to be exhaustive, it is possible to quote a few which may be very important. The involvement of foreign investors, particularly in the context of joint ventures, often means intensive use of a highly skilled workforce or, at any rate, specifically prepared for new tasks. In addition, the firms thus set up are often the

flagbearers of a different and more demanding training approach which they will help to spread around them.

The types of management training introduced everywhere also help to get the countries of Central and Eastern Europe to understand how important it is to make the best use of human resources. Appreciating the crucial nature of developing SMEs in order to maintain employment levels is also important in this context at a time when the major industrial groups are undergoing restructuring. Their expansion, particularly in the sectors of agriculture and services, generates an acute need for solid and diversified qualifications.

The *employment situation* is a third element which can influence training strategy. It has considerably deteriorated in the countries of Central and Eastern Europe and has prompted them to draw up policies which generally involve the creation of a genuine employment administration providing for benefits to unemployed persons and the introduction of vocational guidance arrangements, measures which are sometimes accompanied by appropriate training drives.

The countries of this area are facing a choice which the Europe of the Twelve came up against before them. As training periods bring not so much a solid new skill as a socially useful occupation sometimes accompanied by re-training for work, which is almost therapeutic in value, the question is whether or not training should be considered as an instrument of social reintegration in the endeavour to stem the rise of unemployment.

There are sound political and social arguments for this option, but its extremely high cost could swallow up resources to the detriment of a training policy designed rather to achieve the all-round raising of qualifications or the targeted training of the specialists needed in sectors capable of sustaining economic recovery.

On the contrary, opting for a qualification policy could be more effective from the point of view of transforming economic structures but does imply the acceptance of a potentially heavy political risk.

A fourth major determinant of training strategies has to be mentioned and has to do with the way the construction of the *new democratic life* is envisaged.

Training in this connection, including vocational training, is a powerful vehicle for changing mentalities and for assisting the switch to a more active citizenship. Conversely, an approach of this kind presupposes that individual ambitions are considered when drawing up the programmes and that suitable procedures for their fulfilment are introduced.

2. It is not possible here to list the aspects a training strategy should inevitably involve. We shall simply mention certain questions it would be difficult not to put beforehand.

The first concerns *where training policy fits in* the overall framework of government activity. Briefly, the choice is between a training policy with some degree of autonomy

and thus its own objectives, as opposed to being subordinated to those of another policy and relying for their implementation on a specific government and administrative system, and a training policy backing up as it were another policy e.g. education policy, employment policy or industrial development policy.

A second question concerns the *aims* of such a policy, or more precisely the weighting attributed to the different aims which it has to pursue simultaneously. Training is an instrument of economic growth, of social justice and individual advancement all at the same time, but what should be the relative importance attributed to each of these roles?

The foregoing give rise to tangible questions as to staffing arrangements and programmes. On top of this come no less tangible questions on *financial arrangements*. This relates not only to the volume of resources given over to training but also to where they come from, this latter point being intimately bound up with questions concerning the distribution of responsibilities and the degree of decentralisation of the system.

The answer given by way of principle to the question as to the importance attributed to individual aspirations and advancement elicits far more tangible questions as to the *legal expression* given to these aspirations and their possibilities of fulfilment.

Other important questions can simply be mentioned, some of which are capitally important in Central and Eastern Europe e.g. the training of *ethnic minorities*, not forgetting the training of *women*, and that of specific population categories.

The case of the *Small and Medium-sized Enterprises (SMEs)* also warrants specific commentary, particularly considering that the creation of this type of firm is the unavoidable key to the transformation of the economic and social structures of these countries. We shall come back to this later on in this report. However, it should be pointed out here and now that these countries should be seriously pondering the choice of educational strategy connected with the training of creators and heads of firms and endeavour to carry out an in-depth analysis of the qualification requirements to be satisfied in order to give such a radical transformation of the economic fabric every chance of success.

Specific space will also have to be devoted to questions taken up again later concerning the *link-up between several sub-systems* viz. initial and continuing vocational training, link between training and research etc.

Lastly it is necessary to stress immediately an issue which is in some respects a common to all these sub-systems and is extremely important, that of the *training of teachers and trainers*. This involves not only redirecting those among them who devoted their time to subject areas now disappearing or in decline but to get them all to accept different approaches to teaching itself by providing them with the skills essential for a new approach to their work.

3. Answering all these questions presupposes a resolve and a capacity for political analysis. But these qualities cannot be fully brought to bear unless they are based on instruments,

means and methods which are appropriate and on a network of players endowed with clearly-defined responsibilities.

Once again, an enumeration would be tedious. Let us simply say that the countries of Central and Eastern Europe are faced with the major problem of mastering pluralism after turning their backs on half a century of monolithic centralisation.

The success of the switch from one way of thinking to another presupposes the creation or the modernisation of *research institutes* and *statistical services*. This will no doubt give rise to the drafting of new training strategies implying the renewal of teaching methods and means, and particularly a radical change in the training of teachers and trainers. Specific consideration should also be given to the advantages of applying new communication technology to training, particularly in order to save time and money by introducing distance learning systems.

As to the *players* involved, everything or virtually everything clearly depends on them, with the teachers being in the front line. The definition and later the effective implementation of a training strategy nevertheless need the support of a sufficiently well-developed network of personalities and services of unimpeachable competence. We shall see later how important the question of distribution of roles over the potential major actors of this policy is. Suffice it here to stress that whatever the organisational configuration of the system it is essential for all the players involved to be prepared for a new approach to their mission.

B. Building up a vocational training system

Preparing a new institutional and political system offering a framework appropriate to an ambitious training strategy must be undertaken without delay and in parallel with specific action taken to cater for the needs already expressed.

It would obviously be tempting to put off the structural reforms, considering that the real priorities lie elsewhere and that it is no doubt possible to pursue another policy without changing the institutional framework in which it is set.

The current plight of Central and Eastern Europe makes it dangerous to push this line of thinking too far. There is a vast amount of very volatile information to be managed. The system inherited from the past is too rigid to cater for such a situation. The Western countries themselves have had to adjust, decentralise and decompartmentalise their own mechanisms for collecting information and taking decisions in order to provide effective answers to the problems they have to solve and which are after all far less complex.

It is also essential to allow in this system for forces liable to bring forward concerns reflecting the values of which they are the guarantors. A training strategy cannot only set itself economic objectives. It must also cater for the individual aspirations of the citizens and other collective expectations e.g. ecology and environmental protection.

Preparing an institutional and political system must devote specific attention to three areas.

1. The first is the **clarification of the roles** of the different players concerned. This itself is a threefold question.

Firstly, it concerns *government and administrative organisation*. Sectoral ministries are virtually everywhere giving way to ministries for education and for employment. However, coordination is still shaky and generally no authority seems able to provide an overview of questions concerning initial and continuing vocational training. It is necessary to achieve a better distribution of responsibilities and organise interministerial coordination.

Then comes the question of *decentralisation*, which concerns the division of responsibilities over the national and local, federal, decentralised or simply devolved authorities, but in any case nearer day-to-day reality, and also the distribution of power between the state structures and the educational institutions which have a greater or lesser degree of autonomy.

The need for decentralisation is widely recognised and there have already been certain positive developments. For instance, Hungary in 1990 adopted a law on local government which transferred ownership of most of the state schools to the local authorities to which substantial responsibility was devolved at the same time. Similar reforms have been undertaken in Poland, Slovakia, Slovenia and in the Czech Republic.

But there are major obstacles. Firstly, decentralising any responsibility presupposes that this responsibility was hitherto organised appropriately at the national level. Another point is that local or regional authorities must have competent staff. Lastly, transferring responsibilities is a risk if it is not accompanied by the parallel and coordinated devolution to the recipient authorities of the necessary financial resources and other means required. Yet this is sometimes not the case with the result that decentralisation exacerbates any existing disparities.

None of these hurdles is insurmountable and the point of listing them is only to provide a reminder that the countries of Central and Eastern Europe are having to complete several major ventures simultaneously and that decentralisation, which is in any case indispensable, must go hand in hand with reorganisation of the powers presently held solely at the national level and of the relevant backup structures.

Lastly, the tricky question of the *role of the two sides of industry* cannot be evaded. The transformation of the social function of the trade unions is radical; what remains to be seen is the degree of their commitment to training, whether as regards the national economy or any other level including - and probably starting with - that of the enterprise.

In Western countries the two sides of industry are the natural artisans of the creation of a strong link between employment problems and training policy. Certain Central and Eastern European countries have made some progress towards the recognition of the role of these two sides, offering glimpses in certain cases of a prospective tripartite system. The plain fact is, however, that this change is going to take time. Moreover, the trade unions have often been too involved with the former economic system to be able to take over a new role without any trauma. New trade union organisations or even new forms

of trade unionism have begun to emerge, while employers' organisations are frequently in the first stages of restructuring.

Be that as it may, greater involvement of the two sides of industry in vocational training would be beneficial right away. Some recent developments, particularly in management teaching, have been prompted by the market. The latter is obviously not, in a period of scarcity when so many changes are necessary at the same time, in a position to cater effectively on its own for the functions of information, resource allocation and regulation in the context of qualifications.

The role of the two sides of industry will necessarily grow and will no doubt vary substantially from one country to another. It is nevertheless possible to quote among the areas of action which are the most natural that of vocational guidance where an interesting experiment has started in Poland, and that of the definition and recognition of qualifications. Similarly, the two sides of industry could help governments to prepare policies to prevent long term unemployment or to anticipate the extremely fluctuating needs of the economy, particularly when it comes to new technologies.

2. The **role of the enterprise** warrants special attention, for it probably lies at the heart of the whole issue.

Under the previous regimes, the big state enterprises were closely involved in initial and continuing vocational training. The changes in progress could well exclude them from the system for all sorts of reasons.

Yet the experience of all the developed countries shows that no training system which purports to be effective can be viable without the active participation of the enterprises. The problem does have financial implications but even stronger pedagogical implications.

It arises firstly for the *training of employees* themselves. Enterprises generate a huge demand for preparation for the new qualifications required by the switchover to a market economy.

They are also central to the debate on the *training of young people*, particularly in the context of sandwich training combining work experience and the sound theoretical basis available through the educational system.

Lastly, depending on the funding arrangements, enterprises can also have a role in the *training of job seekers* or employees being retrained by making available to the departments tackling these problems their managerial and supervisory staff and their equipment and by familiarising those involved with the techniques they use.

3. Another major characteristic of training systems is their **funding**.

In the past, these countries were dealing with mechanisms which were both essentially public and totally administered. Several of these countries have on their own or with outside help begun to back private establishments financed by other means.

The overall financing requirement is huge and cannot be satisfied by national resources alone. Once the principle of long-term foreign aid has been accepted, the next step is to decide how best to use these national resources. The practical issues involved include the level of contribution of enterprises and the participation of the users of training, and the extent of freedom granted to educational establishments to find funding.

Two principles could be selected:

- allow the educational institutions to use their resources more flexibly, with the state performing a regulatory role taking due account of the quality of training provided;

- allowing for the possibility to seek additional private assistance particularly from the recipients themselves whether private bodies or enterprises.

A number of different solutions more or less based on these principles have been investigated in several countries: compulsory financial participation by the enterprises taking no direct part in educational responsibilities, quest for school-enterprise partnerships, introduction of tax incentives.

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Only the government authorities concerned can bring a valid response to the different questions raised in this chapter. The problem for them is precisely to frame the questions correctly, i.e. to establish which of these are truly relevant in a given practical situation and to formulate them properly.

This is one area in which international cooperation could come into play to back up the aid it already provides in satisfying several needs whose manifest and sometimes dramatic nature have pressed for attention.

CHAPTER 4: PROPOSED GUIDELINES FOR INTERNATIONAL COOPERATION IN THE FIELD OF VOCATIONAL TRAINING

The foregoing considerations should have made clear that, at the same time as looking to find answers to their identified training needs, with or without Western assistance, the Central and Eastern European countries must devise a proper strategy and completely overhaul their institutional set-up.

Essential as this may be, however, they are more often than not ill-prepared for such a radical rethink of their objectives and of their administrative, political and social organisation. International cooperation therefore must pay particular attention to this point.

In what follows, we will propose certain general principles for cooperation in this context (A) and priority themes for action.

A. General principles

Six principles seem to merit particular emphasis:

1. Cooperation programmes have to be **multi-annual**.

   It is difficult to predict how long the transition will take in Central and Eastern Europe. The only certainty is that assistance will continue to be needed in greater quantity and for far longer than was anticipated in 1989. Cooperation programmes need to take account of this phenomenon and not be called into question every year. Their duration must be adaptable to the needs encountered and the situation in the beneficiary countries. A sustained effort over a period of three years would generally be needed, but there may well be cases which will require as many as five years.

   The budgetary procedures in use in the Community and in the Member States are rarely compatible with this objective. The importance of what is at stake justifies trying to make the necessary adjustments. Various countries have been able to do this in the field of defence policy or for major public works. Legal constraints are rarely insurmountable where political resolve exists. In the case in question, this resolve is going to be needed.

2. Planning international cooperation **in close conjunction with development policy**

   The need to draw up a proper training policy which dovetails with economic development policy has already been stressed.

   As a rule, the priorities set for international cooperation should be a function of the coherence thus achieved in the beneficiary country.

   Some countries may find it difficult to achieve this coherence in the new context of market openness. It is unlikely that their usual analytical and forecasting tools will be up to the task of taking into account the fact that the potential consequences of the

diversity of regional and local situations are greater now than in the past. So one of the objectives of cooperation could be to get across the merits of decentralized structures and decide how they will initially operate.

3. **Combining short term objectives and structural reforms.**

The need for a multi-annual programme of objectives and activities, accompanied where possible by the necessary funding, has already been mentioned above.

This approach should help these countries succeed in the difficult task facing them i.e. instituting rapid structural reforms while still tackling immediate problems.

Neglecting these problems, particularly stemming the rise of rising unemployment, would be suicidal and could put still fragile democracies on the road to destruction. Conversely, failure to consider the longer-term perspectives would be to run the risk of incoherence and protracted dependence on foreign assistance and expertise.

To help Central and Eastern European countries to set up as quickly as possible their own instruments for drawing up and carrying out a rational policy means allowing them to do without this assistance and substitute, as they desire, a relationship of cooperation with the West for the relationship of dependency which prevails today.

The Western countries should be preparing for this now, notably by gradually adjusting their approach in this field.

4. **Adapting action to the diversity of the situations and needs.**

It is obvious that needs and expectations can vary considerably between countries. Western countries take account of this in the choice of programmes included in the cooperation policy pursued with each of these countries.

However, action remains often very rigid and the different types of expenditure are not equally eligible for financing from the funds created by the different sources providing aid.

Sending foreign experts, training national experts, transferring different forms of pedagogical know-how, for instance, are eligible. However, it is much more difficult to accept requests relating to the supply of school materials or furniture, or renovating educational establishments. It is not difficult to understand why, but caution is required before making this a systematic approach,for these needs may sometimes be a matter of priority for which there is no other solution and failure to acknowledge them would make all the other lines of intervention ineffective.

As regards cooperation and the players concerned, other paths should be explored. We will quote three, all of which have already been pursued but still in much too tentative a way.

- the first is to develop a new concept of Western expertise, gradually replacing training designed purely to transfer Western know-how with actions designed to train Eastern experts to acquire and design know-how which they could then pass on to their fellow countrymen;

- our approach should be attuned to the uneven level of development of the different countries and the existence, in some of them and in some fields, of sometimes quite remarkable skills. Rather than pay very expensive Western experts, often little acquainted with the situation in the East, it would be better to use their less expensive counterparts, who are well qualified and familiar with the situation on the ground in the most advanced countries of the region.

- finally, the cooperation started between Central and Eastern European countries thanks to Western financial assistance could open on to interregional activities. These run often into severe problems, notably of a political nature. But knowing that these obstacles exist should not unduly inhibit reflection and action. Some geographical sub-units obviously require coordinated action. This is doubtless the case of the Baltic Sea region, that of the Black Sea and of the Danube basin.

5. Better **coordination** of international cooperation is necessary to achieve maximum impact.

This coordination should first of all be looked for in each Central and Eastern European country. This could be done on two levels, which might be complementary.

These countries have all set up a specific administration or department to define and manage cooperation policy and to varying extents are attempting to rationalise the organisation of their vocational training policies. But these two concerns are not always pursued in parallel, so that those who know about foreign relations may be unfamiliar with training, while those who have built up a sound knowledge of this field may find it difficult to gain access to foreign cooperation.

As for the Western countries, the creation of the G-24 group has been a major step forward, permitting a better flow of information and to some extent avoiding duplication of effort. But there is still room for improvement. Any attempt to achieve a binding coordination procedure would be unrealistic, but it would help if donors combined their efforts more systematically, particularly when it comes to expertise. The European Training Foundation could play a precious role in this respect.

6. The efficiency of aid often depends on how **rapidly** it is allocated

All the conversations with politicians or administrators in the Central and Eastern European countries lead at some stage to a polite but firm criticism of how long it takes for aid to come through.

This criticism must obviously be treated with caution. In many cases, beneficiaries would naturally prefer to receive a blank cheque and appear none too pleased by the contributing parties wanting to have a say in how the aid is used.

Moreover, any report dealing exclusively with vocational training must take account of the fact that international aid has much wider objectives and that procedures have to be adapted to the scale and diversity of action.

Lastly, it must be remembered that any public intervention - the money for which, when all is said and done, comes out of taxation - must be accountable under rules governing competition and monitoring. All the more so when the financing is provided by an international organisation which has to maintain the balance not only between income and expenditure but also between its members.

Be that as it may, Western operators join in the criticism from the Central and Eastern European countries often enough for the situation to warrant scrutiny, and therefore anything capable of streamlining procedures and speeding things up would be welcome.

B. Themes for action

As they have been doing since 1989, the Western countries will have to continue to transfer to the Central and Eastern European countries their know-how by means of training activities integrated in the programmes addressing the multiple aims which stem from the fundamental objective of achieving a democratic society and modernising the economy.

But other action is essential in order to directly help these countries to address the key issues described in Chapter 3 of this report.

Eight main themes are briefly sketched below. It is again stressed that action in these fields must be carried out respecting the general guidelines described above.

1. Bringing Western experience to bear in the debate on the establishment of a **continuing training system**.

   Helping the countries of Central and Eastern Europe to secure a system of continuing vocational training capable of rising to the economic and social challenges with which they are faced is today a priority. This implies prior assistance in the analysis of related legal and financial problems and in considering the respective roles of the state, the local authorities and the economic and social players involved.

   Supporting this technical debate should constitute the priority objective of Community assistance.

   Ways of achieving this and of satisfying the resolve expressed by the countries of Central and Eastern Europe to align on European objectives in the field of vocational training would be to:

   - associate these countries as observers in certain working groups responsible for implementing the "Memorandum on vocational training in the European Community in the 1990s";

- promote, between these countries and the Community, the creation of networks for exchanging experience on vocational training systems and methods.

As a complement to these networks, an appropriate institution, such as the ETF, could organise one-off exchanges of experience and reflection on particularly important and delicate matters, such as financing, the right to training, and the comparability of qualifications.

2. Helping to modernise **initial vocational training**.

The approach outlined above will also help in addressing the question of modernising initial vocational training. There are many common problems and others not so common, but they all need to be incorporated into the concern to achieve as much complementarity as possible between the two halves of the training system.

The need to focus attention on initial training is no less important. Indeed, the weaknesses of initial vocational training in the countries of Central and Eastern Europe and the need to prevent its further decline make it a real priority, giving rise to three recommendations:

- associating the production system in the training process by developing *inter alia* on-and-off-the-job training methods;

- assisting exchanges, particularly of trainers and experience, between initial and continuing training;

- fostering the development of channels enabling young people coming out of vocational education to gain access to higher education.

3. Helping the countries of Central and Eastern Europe to develop the **players** responsible for a decentralized and pluralistic training policy.

Helping these countries introduce a genuine "system of players" entails *inter alia* backing:

a) a vast information and training drive targeted at the political and administrative players responsible for defining and drafting public policies on vocational training;

b) the training of employers and trade union leaders responsible for taking decisions, particularly with regard to the contribution of the social dialogue in drafting and developing vocational training policies;

c) the training of heads of enterprises in the new rules of the game and their role as architects of change.

The gradual attainment of this objective should pave the way for patterns of concerted management of continuing training, at company level and, in addition, in national vocational training programmes.

4. Facilitating the creation of **institutions and procedures** which permit the most rational vocational training policy management possible.

One of the first objectives must be the creation of *interministerial coordination procedures* and *concertation procedures between the state and its natural partners*, as mentioned above.

The establishment of *research and forecasting institutes* in relation to qualifications and the definition of training needs should also be encouraged. These institutes could if necessary be assisted by similar structures which exist in certain Eastern European countries.

Lastly, it is essential to create *arrangements for assessment* for a comprehensive appreciation of the effectiveness of policies and also of the dominant training systems in the occupational sectors and branches. This approach should not overlook the importance of stepping up assessment of the training actions themselves and also of training periods and trainees.

5. Modernising training **methods and means**.

A drive in each Eastern European country to inform on, disseminate and promote the use of new educational technologies, particularly as regards distance learning, is the corollary of modernisation of vocational training.

This area of intervention implies first and foremost the dissemination of training reference standards adapted to situations which are new to these countries and should lead to the supply of the material goods and the services which are related e.g. access to communications satellites...

6. Developing the **training of trainers** and teachers.

The development of the training of trainers and teachers is essential to the fulfilment of political and economic transition.

This action concerns primarily the training of trainers, designers and managers of public policies relating to both sectors of activity and to training channels.

Lastly, it relates to the training of designers and organisers responsible for training initial and continuing vocational education trainers.

This area is the linchpin of foreign action and the key to the success of any cooperation policy which purports to provide a quality response to the vocational training needs present and future of the countries of Central and Eastern Europe.

7. Encourage greater synergy between training and **research**.

Building a closer link between training and research has to be understood in two complementary ways:

- raising the level and quality of training by involving university and secondary level initial training teachers in various research programmes;

- modernising and adapting production instruments in these countries to the requirements of the globalisation of economies, by disseminating among them the results of research.

This should help to create in the countries of Central and Eastern Europe new training channels, some designed to bring companies a "technological watch" function and to introduce organised systems of exchange between the world of production and that of research, and others - geared more to the training institutions themselves - designed to help the latter to incorporate, in conjunction with the business community, new elements into their syllabus as required by technology transfer.

The contribution of training to the enhancement of research is essential both from the economic and from the human standpoints. It can bolster a resolute policy to prevent the 'brain drain'.

8. Encouraging programmes centred on **Small and Medium-Sized Enterprises**.

The development of SMEs is essential for all the countries under consideration, and particularly in the economically more developed Central European countries.

In these, the economic importance of the SMEs and their contribution to the increase in industrial goods and in services are on the up and up. Poland, for instance has a private sector, made up essentially of SMEs, which now represents nearly 50% of GDP.

The contribution which these enterprises make and will make to the development of the economies of these countries and the diversity of their training requirements should help towards the emergence of training policies specific to this sector.

This objective presupposes the development or creation of branches of training targeted at the heads and, where appropriate, the managers of SMEs. Pilot actions also involving the employers' networks (Chambers of Commerce, employers' federations, craft associations...) should be promoted for this purpose.

Training drives targeted at the SMEs also presuppose the development or creation of channels of training targeted at the public and private players responsible for creating or collating the economic, legislative and social environment which contributes to the smooth running of the SMEs.

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The themes broached in this chapter have been addressed only incidentally, or indirectly, by existing cooperation programmes. Tackling them head on, as the main, indeed sole, objective, of intervention requires an appropriate instrument. The European Training Foundation can

play this role, at the service not only of the Community and its Member States, but also of all the countries for which the development of their human resources constitutes the best chance for the countries of Central and Eastern Europe.

CHAPTER 5: THE EUROPEAN TRAINING FOUNDATION

The decision to create of this Foundation was taken by the European Council meeting in Strasbourg on 8 and 9 December 1989 "to contribute to the development of the vocational training systems of the countries of Central and Eastern Europe" which are eligible for PHARE assistance.

It is, therefore, open to the former "popular democracies" but not for the newly independent states of the former Soviet Union, except for the Baltic States.

Council Regulation of 7 May 1990 defines the role of the Foundation indicating that it must seek in particular to promote effective cooperation between the Community and the eligible countries, and contribute to the coordination of assistance provided by the Community, its Member States and third countries.

The Regulation defined the status and organisation of the Foundation, which is to be autonomous to some extent and will administered by a Governing Board consisting of one representative from each Member State and two from the Commission.

The Governing Board will be assisted by an Advisory Forum appointed by it made up of experts from the Member States, from the countries eligible under PHARE, from international organisations with expertise in vocational training and from the two sides of industry.

The Foundation thus has a clearly-defined configuration but it has not yet come into being. Yet much has been undertaken, and sometimes completed, in Central and Eastern Europe in the past three years.

In the previous chapters the authors of this report have demonstrated their conviction not only of the usefulness of such an institution but also of the need for its prompt establishment.

The considerations which follow are based on the conclusions that can be drawn from the analysis of the situation in the former "popular democracies" and their training needs. The aim is to help save time by proposing to the future leaders of the Foundation and the authorities on which its creation depends some ideas on how to smooth the way for this institution.

These ideas concern respectively the purpose of the Foundation (A), its work programme (B) and its working methods (C).

A. The purpose of the Foundation

The Regulation of 7 May 1990 summarised this in the form of two objectives: cooperation between the Community and the countries of Central and Eastern Europe, and the coordination of aid.

The Foundation must secure the wherewithal to attain these objectives. It must therefore have its own database so that it can in due course become an invaluable resource centre for Community and beneficiary countries alike. Likewise, it will also have to be capable of organising exchanges and possibly serve as a network leader itself.

It could thus fulfil its natural role of clearing-house, providing the Commission and the Member States with information on the situation and needs of the countries concerned, and helping the latter to ascertain and assess more accurately what channels of external cooperation are open to them.

Beyond this mere information transfer, it should also pursue a more active role and provide expertise for the benefit not only of the countries of Central and Eastern Europe but also for any Community institutions and Member States needing it for the purposes of bilateral programmes. This role could relate to determining needs, *inter alia* by identifying important issues not immediately recognised as such, and to examining programmes or specific projects.

Lastly, when clearly identified needs are not adequately addressed, the Foundation should try to see that this be rectified. This would entail its finding experts and funding to cater for the technical and financial aspects.

As a general rule, the Foundation should abstain from intervening directly itself. It would soon run out of resources. Besides, it would also find itself in competition which would be very much resented by all sorts of public and private bodies.

The only exception would be a total absence of any offer in response to a need considered to be a priority. In such instances, the Foundation ought to make provision for undertaking experimental or innovative action by finding the necessary human and financial resources,

B. The work programme

In accordance with the Regulation of 7 May 1990, the Governing Board, the Director and the Commission are responsible for establishing the work programme.

Only a few proposals are put forward here which, when the time comes, could be helpful for the decisions which they will have to take. They concern the conditions for success and the principal objectives to be pursued.

1. Three factors would no doubt help to achieve a balanced work programme:

   a) Firstly, the authors of this report believe that the countries of Central and Eastern Europe should be involved in drafting the Foundation's work programme. This could perhaps lead to the creation and development of consultation structures associating the two sides of industry in both Western Europe and Central and Eastern Europe. In addition, the Foundation should maintain close working relations with the other Community institutions and with any organisations ready to help with training in these countries.

It could thus successfully fulfil its clearing-house role and provide a framework enabling donor countries to make their offers in full respect of the needs expressed by the beneficiary countries while enabling the latter to better assess the relevance of the activities proposed.

b) Secondly, the Foundation should concern itself with both the short and the long term.

Specific projects intended to meet an urgent need ought not to be sacrificed for the sake of the long term. Priority ought to be given, however, to developing action aimed at the design and implementation of a coherent vocational training policy. Consequently, the Foundation's budget should be drawn up in a multi-annual perspective so that projects can be successfully carried out over a number of years. This attempt to structure vocational training policies should thus help these countries and improve coordination of the aid they receive.

It needs to be stressed that a Foundation which concerned itself only with the short-term would simply be yet another player among those which already exist and bring no noticeable improvement. It would not bring the beneficiary countries one step nearer being able to manage without foreign aid. It would, in short, have no *raison d'être*. On the other hand, the expectations of Central and Eastern Europe are so high that to focus exclusively on the long-term would only damage the institution's credibility.

c) But its success also depends on a third condition; in order to be effective, the Foundation must have the right personnel. It must function as a source of expertise. That implies that its staff must primarily be made up of training experts who are also well-versed in economics. This expertise must be constantly available to the countries concerned and also to the Member States and European institutions.

2. Four groups of objectives have been identified for the Foundation's attention as soon as it is operational.

a) The first group consists of various subjects which correspond to aspects which are important in setting up a training system with a coherent institutional framework.

Many of these subjects are worth mentioning explicitly, although the list is not exhaustive.

Particular attention ought to be paid to defining a *right to training* and *general funding conditions*.

The experience of Western countries could be made available to the countries of Central and Eastern Europe to help them achieve *more effective administration* in the education and employment fields. The quest for inter-ministerial coordination is also to be recommended, as is the development of concertation procedures between the two sides of industry.

Relations between the worlds of education and work constitute another very important aspect from both the institutional and the pedagogical points of view. The same is true of the context of relations between administration in the strict sense and educational institutions, where issues arise concerning the system's degree of pluralism and centralisation.

Decentralisation is a manifestly crucial issue, for this is an area where these countries have absolutely no experience. It should be tackled from both the management and the educational responsibility angles, and should involve local authorities, companies and the two sides of industry. It could also be applied to funding policy and identification of needs.

b) The second group of objectives relates to the instruments and means required for modernising training policy.

The Foundation could apply itself to encouraging the active revival of *pedagogical research* capacity and harnessing it for the benefit of initial and continuing training.

It could give its support to the planning and setting up of employment and qualifications skills or observatories, and centres offering skills assessment, vocational counselling and guidance.

Similarly, the Foundation should support the creation of institutes for the training of trainers with particular responsibility for promoting new teaching methods.

In the teaching aids field, the Foundation's activities should be geared towards:

- the reorganisation, upgrading and preparation of new vocational training programmes;
- the establishment of new reference standards for skills (possibly through pilot projects associating and based on tripartite structures and the experience of qualified people);
- the development of new teaching materials;
- the modernisation of material infrastructure (premises and equipment, but also library facilities).

c) The third group of objectives for the Foundation could relate to training at all levels and in different sectors, skills which the countries concerned need in order to foster and sustain an active vocational training policy. Action should be targeted simultaneously at:

- the designers and decision-makers, within general government or elsewhere, responsible for public policy;

- those who help to implement changes e.g. the two sides of industry and those responsible for information flow;

- training practitioners e.g. those responsible for company training; teachers, trainers, and instructors; and vocational training advisors.

d) Lastly, in order to quickly gain experience in some very sensitive areas in the countries concerned, the Foundation could get to grips with a few particularly crucial-issues. Here are just three:

- the *small and medium-sized enterprises* ought to be a first priority area. The training of company managers is particularly vital. The agriculture and services sectors undoubtedly also deserve special attention;

- the *modernisation of public administration* is also a key factor in the success of the changes under way. The education and employment administrations were mentioned earlier. The need for training is just as great elsewhere, particularly in the economy and finance ministries;

- lastly, the Foundation should also endeavour to transfer to the former "popular democracies" best Western practice in training programmes designed to tackle *unemployment*.

C. The Foundation's working methods

Its working methods will be based on the constant concern to mobilise local expertise capacity, to back by way of priority integrated projects and to bring about combined action on the funding side.

1. Involvement of local expertise capacity.

The Foundation must, operationally speaking, seek a reasonable balance between the work of the experts of Eastern Europe and those of Western Europe. Local expertise capacity can thus progress more rapidly and will have more impact on the design of vocational training policy.

2. Integrated projects

The experience of TEMPUS shows that projects designed with several objectives in mind are more effective. On this basis, the Foundation should organise under a single programme activities which combine networking, training courses, and the development of the supporting structures needed.

a) The development of networks

To this end, the Foundation should help to set up networks permitting information exchange between different players involved in vocational training, making sure that

the networks are built up to cater for clearly defined needs. Review procedures should be provided for in order to permanently monitor their relevance. Many exchanges have been undertaken in the context of vocational training with the countries of Eastern Europe in the past three years. These initiatives should be pursued and consolidated.

Significant progress on this subject could be achieved perhaps by entrusting to the Foundation the task of extending Community programmes such as FORCE, LINGUA, PETRA, etc. to Central and Eastern Europe.

b) Training courses

Current training of trainers in certain countries could form the basis for pilot projects at the instigation of the Foundation. These projects could benefit from focusing on the training of trainers and intermediaries of change in the public and private sectors, which would receive appropriate teaching material for this purpose.

The priorities areas of training should be:

- negotiation and management of public contracts, areas which are particularly under-developed in most Eastern European countries. The purpose of this action would be to make more rational use of the limited budgetary resources available to these countries;

- other areas concerning microeconomics could also be supported: marketing, sales, product creation, market research, consumer protection and product quality. These initiatives should of course be carried out in close conjunction with the higher educational establishments in these countries.

3. Funding synergy

The Foundation, whose main aim is to promote training as a key factor in technological, economic and social development, should use its expertise and status to encourage the contributing countries to give priority to co-financing arrangements when it comes to funding. As well as increasing the volume and diversity of international aid and offering a better guarantee of quickly achieving the objectives set, this procedure would speed up the redeployment of aid to other projects.

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The decision to set up this Foundation was taken in 1989 and the Council Regulation establishing it was adopted in 1990. The political context has since changed significantly, eliciting the question as to whether the geographical scope of intervention of this Foundation ought not to be extended. As things currently stand, it covers only the former popular democracies which have all in turn been accepted under the PHARE programme, as have the Baltic states, but not the countries which have emerged from the former Soviet Union, as

these come under the TACIS programme. The authors of this report are convinced that the effectiveness of cooperation with these latter countries would be enhanced if the Foundation could also extend its scope to them.

Conclusions

The situation in the countries of Central and Eastern Europe as regards the development of human resources and related policies is sufficiently important and worrying to stress at the end of this report the urgent need for concerted action by international cooperation in this field.

We said at the beginning of this report that almost four years have gone by since the events which marked the entry of these countries into the radical process of economic, political and social transition. The risk is that the gulf between the initial choices of these countries and the attainment of their objectives, held back principally by economic urgency and the need to maintain social cohesion, will widen and lead, perhaps not to a radical rethink on matters, but at least to certain difficulties, with no telling how far they could go. In order to avoid this, international cooperation should be geared to the development of human resources and the educational potential which underpins it, and should therefore encourage the drawing up of appropriate public policies.

International cooperation should thus be applied as a priority on the one hand to opening and enhancing the debate in society on education and training, and on the other to organising networks and creating the instruments needed for initial and continuing training policies which cover every field of political, economic and social life. This, along with the specific training actions which will in any case be needed, prompts us to recommend that international cooperation have a long-term character and lead to the construction of systems designed not only to satisfy the material needs of these societies, but also the personal aspirations of those living within them.

The experts' technical input has convinced them of one thing which must be stressed in this conclusion: the urgent need to rapidly set up the Foundation so that it can fully contribute, as envisaged by the Arche Summit, to the success of the process of reform under way in these countries.

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